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## Huge boost from stimulus package

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THE agriculture sector recently got a major boost in the form of an allocation of RM2.75 billion under the Government's latest RM7.3 billion economic stimulus package, announced in May by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Responding to the announcement, Agriculture Minister Datuk Effendi Norwawi said the ministry felt privileged to be allocated with a huge amount of money and added that it was a testimony of the Government's commitment to transform the agriculture industry in a big way.

In his news briefing a week after the package was revealed, he said he had directed all the 13 agencies under the ministry to disburse the allocation within 12 months with some flexibility in projects that were deemed difficult to implement.

"In some areas, it might take longer but we will strive to execute all the projects planned within 12 months," he said.

He said there was an urgent need to disburse the money in the shortest time possible as "the quicker we do it, the better it is for the economy", adding that once the fund was fully disbursed, the country could expect returns of RM5 billion a year from the crop, livestock and fisheries sectors.

Some 300 officers from various agricultural department and agencies have been directed to aggressively pursue the laid-out strategies.

More than 400,000 farmers, fishermen and smallholders are expected to benefit from the stimulus package.

"By the end of the day, we want these farmers and fishermen to have a generous income, far better than what they are making now," he said.

Under the package, RM1 billion has been allocated to Bank Pertanian Malaysia (BPM) under the Fund for Food programme aimed at helping entrepreneurs.

Individuals and corporations that are involved in the crop, fisheries and livestock sectors are eligible to participate in the programme with the maximum loan amount set at RM5 million.

BPM has targeted 5,000 loans to be disbursed, of which 35 per cent was for the crop sector, 35 per cent for fisheries and 30 per cent for the livestock sector.

It has also been allocated RM500 million for its micro-credit scheme for small-scale entrepreneurs with businesses related to the food sector, the farming sector and agriculture-based handicraft making and the maximum loan is RM20,000 and this will be constantly reviewed.

The bank's goal is to disburse RM100 million by August and RM200 million by the end of this year.

Effendi said the remaining RM200 million would be disbursed next year.

Besides that, RM200 million will be pumped into Amanah Ikhtiar Malaysia (AIM) fund and placed under BPM.

He said for the fisheries sector, a bulk of the RM750 million allocation would be used to build 200 deep-sea vessels.

"Equipped with the latest easy-to-use equipment, the boats will help increase the catch to 600,000 tonnes a year valued at RM200 million."

Under the fund to improve the infrastructure and delivery system, the ministry has submitted a list of proposed projects amounting to RM477.3 million to the Treasury. The proposed projects include the production and improvement of the post-harvest and marketing infrastructure of the agri-

food production.

Under the package, 1,200 idle ponds have been identified for restoration involving an area of 360ha with 500 breeders.

To cost RM12.6 million, the restoration is expected to bring in returns of RM27 million annually.

On the development of aquaculture, 5,000ha had been identified in Pahang, Selangor and Johor. It will cost RM60 million.

"From the aquaculture activities, the Government expects to generate RM150 million annually," said Effendi, adding that by 2005, the aquaculture industry was expected to produce an additional 400,000 tonnes of fish, valued at RM3 billion a year.

At the departmental level, the Fisheries Development Corp (LKIM) will be allocated RM125 million to help fishermen acquire boats and equipment and provide capital to the Fishermen's Association.

Meanwhile, the Agriculture Department will be allocated RM73 million to develop four major projects and two small-scale projects.

The projects, he said, would involve 8,055ha and 2,938 farmers.

Some 300 women entrepreneurs will be involved in manufacturing.

The projects will generate a nett value of RM347 million a year and will increase the nett income of the farmers and entrepreneurs to between RM3,000 and RM7,000 a month.

The Federal Agriculture Marketing Authority (Fama) will implement programmes to promote 10 winning products of small- and medium-scale industries and under the Malaysia's Best programme, it will highlight the country's quality agricultural products internationally.

Both programmes, which will be allocated with RM14 million, are expected to generate an initial turnover of RM100 million respectively.

In terms of technology support for production and processing of farm produce, the Malaysian Agricultural Research and Development Institute (Mardi) will sponsor 40 commercial farms to adopt the latest technology that can generate RM300 million a year.

As for the allocation of RM42.73 million for the Department of Veterinary Services, he said it would involve activities such as development in the various sectors of the live-stock industry and its downstream processing.

Meanwhile, the Farmers' Organisation Authority will require an allocation of RM57 million under the Fund for Food programme for projects that would increase yield in padi areas to 10 tonnes per hectare and to modernise farms and orchards using new technology.

The Drainage and Irrigation Department will be allocated with RM150 million to upgrade the infrastructure of 600,000ha of granary and non-granary rice areas, and 700,000ha of permanent crop areas.

Some 190,000 farmers will benefit from this while padi yields are expected to increase from five tonnes to seven tonnes per hectare and their incomes to rise from an average of RM750 a month to RM1,200.

Fama, he added, would spend RM4.4 million to upgrade the 100 collection centres in the country to improve the marketing of agricultural products.

The collection centres are equipped with infrastructure, grading, sorting, packaging-labelling facilities to service the farmers and institutional buyers.

The collection centres are also expected to further promote direct marketing of farm produce thereby increase farmers income and reduce prices of farm products for consumers.

The collection centres are expected to handle sales of RM150 million a year.